

Feb 3, 2017

ADEKA Corporation

## Announcement on the Stock Acquisition of SHOWA KOSAN Co., Ltd.

ADEKA Corporation (President and chief executive officer: Akio Kohri; hereinafter referred to as "ADEKA") has announced that it has acquired additional shares of SHOWA KOSAN Co, Ltd. (Head office: Tokyo; hereinafter referred to as "SHOWA KOSAN "), making SHOWA KOSAN a subsidiary of ADEKA.

### 1. Reason for stock acquisition

SHOWA KOSAN is a specialized trading company handling chemical products, and has developed a close business relationship with ADEKA over the years. SHOWA KOSAN continues to be one of ADEKA's distributors, selling products such as polymer additives, epoxy and urethane resins, as well as materials used in electronics and IT.

In the wake of the stock acquisition indicated above, ADEKA hopes to further strengthen its business relationship with SHOWA KOSAN. The company will aim to further expand sales of ADEKA's products, through its long-term and stable partnership with SHOWA KOSAN, and strive to boost shareholder value through improving profitability.

### 2. Summary of SHOWA KOSAN

(1) Company name	SHOWA KOSAN Co., Ltd.	
(2) Location	6-13-18, Akasaka, Minato-ku, Tokyo 107-8452, Japan	
(3) Name & title representative	President and chief executive officer Akio Tabuchi	
(4) Description of business	A trading company handling synthetic resins, chemicals, industrial materials, materials for electronics and IT, and environment-related commodities	
(5) Capital	550 million yen	
(6) Date of establishment	May 30, 1943	
(7) Major stockholder and stock ownership ratio	KAO Corporation	20.8%
	SUMITOMO CHEMICAL Co., Ltd.	20.8%
	ADEKA Corporation	17.1% * At the time of contract
(8) Relationship with ADEKA	Capital ties	ADEKA owns 17.1% of shares of SHOWA KOSAN.
	Human Resources	ADEKA has sent one part-time executive to SHOWA KOSAN.
	Business	ADEKA and SHOWA KOSAN have a business relationship.

### 3. Stock ownership before and after acquisition

(1) Ratio of Shares held by ADEKA prior to transfer	17.1%
(2) Ratio of Shares to be transferred	2.9%
(3) Ratio of Shares held by ADEKA after transfer	20.0%

\* Stock ownership ratio as of the end of February 2017 is projected to be 20.8%.

The acquisition cost is not disclosed in accordance with an agreement between the parties.

### 4. Date of agreement

Dec 19, 2016

#### ■ Contacts

ADEKA Corporation

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